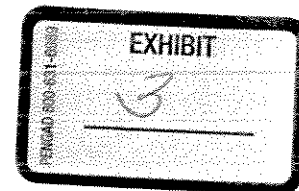


AMERICAN WASTE MANAGEMENT AND RECYCLING

April 26, 2007

Eng. Ramiro Lozano
General Manager
CEMEX Ponce, P. R.

RE: Present Situation

Eng. Ramiro Lozano:

Enclose is a Field Report which explains the situation and aspects that have been identified by AWMR staff and that are making impossible the metals removal at greater scale. The Project of dismantling required prior preparation of the areas to be taken down in order to assure the safety of the employees as well as the production process.

AWMR has incurred in a too high operational cost due to payroll, equipment rentals and suppliers among others. Our Company has reached the decision of moving to other sites to maintain our operations flow. Another option is to re-negotiate the contract to split the operational cost resulting of the waiting for the preparation of areas. We appreciate the attention that have been given to our Engineers at site, and expect your understanding and attention to this matter.

Sincerely,

Abul "Abe" Shah
Senior Partner

Field Report

The project of dismantling the 70% of CEMEX Ponce Plant has been taken as a challenge. This is the biggest scrap metal removal that is taking place in a Puerto Rico at this time. CEMEX is implementing new technology in order to enhance the life quality of the Ponce Community and American Waste Management is been part of this project by removing the metals to recycle them and this way work together for the environment. A team of two engineers and a crew of workers which includes cutters, operators and labors have accepted the challenge of taking down the plant that had produced the 90% of the cement that has marked the structural development of Puerto Rico. For this matter a work plan has been developed taking into account the conditions that have been identified in the Plant as per safety, environmental and structural aspects.

1.1 Conditions and State of the Plant and Areas to be taken down.

Due to negotiation aspects the Plant was said to be clear for taking down and removal of metals. Even though at this time communication parameters, work plans and meetings have been taking place between CEMEX, AWMR and Canopy Ecoterra. At this time after two months the plant is still in no state ready for the procedures.

There is no area that can be completely dismantled while no converging with CEMEX production processes. The harder and difficult part of the project is the aspect of the Plant been ALIVE. Any wrong step during our dismantling and cutting procedures can cause serious damages to their Process. There are some aspects that have been slowing down very much the work more than what was expected and these have been identified for AWMR Engineers:

- **Utilities as per water, process water, vapors, gas electricity and communication lines were not yet marked as good to go, to stay or to be re placed-** More than 30 notifications meaning meetings, calls or written have been made from us in this period. Pulling out the cooper also depends on this matter.

- **Cleaning of the cement remaining in the Mills Area-** Employees are working sometimes in very hard conditions meaning that the accumulation of cement in the floor can come up to four feet. Many meetings with Management have been made over the situation resulting in the compromise of CEMEX to clean the area. Maintenance Department has been visited daily for us. Our staff has cleaned it sometimes resulting in some situations between CEMEX Union because this means our employees making their job. The situation has said to be taking time because this cement is recycled and the Mill they use can not process that much quantity. AWMR has been placing three employees to the cleaning every day. On April 25th one of our employees was sent to the hospital because of a heat exhaustion due to the existing conditions in these areas.
- **Moving of filters** – This filters are localized in front of precipitator #5 and #6 were AWMR has decides to build a Loading Doc. The filters can not be moved at this time because these are to be placed in the new technology CEMEX is implementing and moving them from one place to another can cause serious damage to them. We have bee told to wait for a fifteen days period. This slows down the plans for the containers loading area in order to stop the damage that happened sometimes wile loading from ground level. This situation of containers getting damages has increased the costs of operation. Loading from ground level can take up to 10 hours to have it full and this also increases our operational costs.
- **Draining of pipelines-** There are pipelines containing remaining of oils in the Mills area. The Mills motors are also filled of oil. In the burners or Kilns area there are pipelines containing petroleum. Of these two substances we have had spills already. Draining was established to be done by CEEMX from the beginning.

- **Internal Communication of CEMEX-** Not all their personnel is aware of the dismantling situation and our capacity of work. Departments took much time in identifying which equipments were good to go or not. At this point their employees do not know the type of work we came in to do and the scope of work, work plans and other decisions that are made sometimes in meetings or conversations do not circulate over departments and it causes misunderstandings and slowing down of our daily production.
- **Asbestos Removal-** Identification Process was made by AWMR. A proposal was made and submitted by our contractor. This was a first aspect in order to have the area ready before working in there. The process of approval had taken too much time and slowed down our work plan.

These aspects were subjected to long processes of callings, waiting, contacting of people and every day follow up. Study of CEMEX present situation, process, importance of their equipment, areas to be taken down or dismantled, going over blue prints and field trips with CEMEX assessors.

Works Plan

Stage #1

1. Scrap metal pick up and cleaning allover the Plant.
2. Cutting off loaders, cranes and packing machine with conveyor.
3. Mills 2, 3, 4 & 5.
4. Cleaning off Junker area.
5. Taking down bridge from tank 9-10.
6. Water pipe lines Tank 7-9.
7. Storage room Tank 7.
8. Boiler #3.
9. Cooler from Kiln #1.
10. Started the removal of the refractory system of Kiln #1 and around 10 ft of steel was cut off.
11. Cooper from electrical lines, motor mills 3, 4, 5, 7 and half of #2 was removed.
12. Aluminum from motor pool area. Cutting off truck parts.
13. Asbestos removal in the Kilns area.

After Shut Down

Stage #2

1. Mills area:
 - Dust collectors
 - Access/ladders
 - Platforms
 - Electrical devices or equipment
 - Pipelines- Utilities, electrical pipe racks, water, vapor etc.
 - Mills 7,9,10
2. Kilns area
 - Refractory System
 - Electrical devices or equipment.
 - Electrical lines.
 - Pipelines- Utilities, electrical pipe racks, water, vapor etc.

- Taking down and cutting off Kilns # 1, 2, 3 and 4.
- Taking down and cutting off Kilns # 1, 2, 3 and 4.
- Roof remaining.

3. Tanks, small chimney and silos.

Stage #3

1. Precipitator #5 and its Structure.
2. Chimneys
3. Miscellaneous